

Message Text

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ACTION L-03

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 EB-07 INR-07 NSAE-00 EPG-02
FAA-00 SS-15 SSO-00 NSC-05 NSCE-00 INRE-00 /054 W
-----301114Z 128402 /14
O 300950Z MAY 77
FM AMEMBASSY LONDON
TO SECSTATE WASHDC IMMEDIATE 4505

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PASS DOT (DAVENPORT, KAMM AND LARSEN), CAB (WEST,
RODRIGUEZ), STATE (L/EB MICKEY)

E. O. 11652:NA
TAGS: EAIR, UK
SUBJECT: US-UK CIVAIR NEGOTIATIONS: UK DRAFT CUSTOMS
ARTICLE

REF: A) LONDON 8346; B) STATE 116993; C) STATE
121179; D) LONDON 8938; E) LONDON 8947

1. CUSTOMS ARTICLE WORKING GROUP (KUTZKE) MET ON
MAY 27. UK TABLED A NEW ARTICLE BASED ON EARLIER
WORKING GROUP DISCUSSIONS. FOLLOWING LONG DISCUSSION
UK AGREED TO CERTAIN ADDITIONAL CHANGES. UK REDRAFT
PLUS THE ADDITIONAL CHANGES SEEMS TO REPRESENT REAL
MOVEMENT. STATE (MICKEY), DOT (LARSEN) REQUESTED TO
COMMENT BY WASHINGTON COB MAY 31 ON LATEST WORKING
GROUP DRAFT.

2. AS NOTED PREVIOUSLY UK HAS STATED THAT GROUND
EQUIPMENT EXEMPTION IS MATTER OF TARIFF POLICY. KUTZKE
WILL MEET WITH TRADE TO DISCUSS MATTER; BOYD WILL
DISCUSS WITH SHOVELTON. AT UK REQUEST USDEL HAS
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PREPARED FOR INCLUSION IN A SIDE LETTER, LIST OF
EQUIPMENT TO BE EXEMPTED. INITIAL LIST SUPPLIED BY
MICHAELSON OF PAN AM. LIST SET FORTH BELOW. COMMENTS
REQUESTED ON LIST BY WASHINGTON COB JUNE 1; INCLUDE
ADDITIONS OR DELETIONS.

A. AIRCRAFT PASSENGER AND OTHER ACCESS STEPS,
MOBILE, SELF PROPELLED, TRUCK MOUNTED OR OTHERWISE.

B. GROUND POWER UNITS AND AIR START UNITS, AND GROUND AIR CONDITIONING (SELF CONTAINED OR IN COMBINATION, MOBILE SELF PROPELLED, TRUCK MOUNTED OR OTHERWISE.)

C. TUGS AND ALL TYPES OF TOWING DEVICES.

D. WATER AND TOILET SERVICE CARTS, MOBILE OR OTHERWISE.

E. COMMISSARY SERVICE VEHICLES AND COMMISSARY SERVICING EQUIPMENT.

F. CARGO HIGH LOADERS, BELT LOADERS (INCLUDED VEHICLE MOUNTED), FORK LIFTS AND OTHER LOADING DEVICES.

G. UNIT LOADING DEVICES AND STORAGE CONTAINERS. CONTAINER TRANSPORTERS AND TRUCKS, BAGGAGE VANS.

H. RAMP SERVICE VEHICLES, INCLUDING CHERRY PICKERS

I. AIRCRAFT JACKS AND ENGINE STANDS AND SPECIALIZED AIRCRAFT TOOLS.

J. SPECIALIZED RESERVATIONS AND SERVICE EQUIPMENT INCLUDING ELECTRONIC DEVICES.

3. US HAS NO INDICATION UK WILL MOVE ON THIS MATTER BUT BELIEVES THERE IS SOME POSSIBILITY. NOTE: US WORDING ON GROUND EQUIPMENT WITH SIDE LETTER SETTING FORTH EQUIPMENT TO BE COVERED APPEARS ACCEPTABLE IF UK AGREES TO POLICY.

4. UK DRAFT CUSTOMS ARTICLE (REFTEL E), PARAS 1 AND 2, SUBSTITUTES "SHALL BE RELIEVED" FOR "EXEMPT." UK SAYS THAT UNDER EEC REGS WORD "EXEMPT" WILL ONLY APPLY TO LAST IMPOSED VAT. IT WILL NOT RELIEVE ALL VAT IN LIMITED OFFICIAL USE

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THE CHAIN. ACCORDING TO UK, LANGUAGE "SHALL BE RELIEVED" EXEMPTS THE WHOLE CHAIN AND IS THEREFORE STRONGER AND MORE EFFECTIVE.

5. UNDER UK DRAFT, THROUGH-PUT IS NOT INCLUDED BECAUSE IT IS NOT A NATIONAL CHARGE. IF IT WERE, IT WOULD BE COVERED BY PARA 2(C). AS A LOCAL TAX IT SHOULD BE COVERED BY STATE OR LOCAL TAX PROVISION IN THE DOING BUSINESS ARTICLE. SEE COMMENT IN PARA L0 BELOW.

6. CREW LIVERY HAS BEEN DROPPED. UK STATES THAT PERSONAL UNIFORMS OF AIR CREW ARE NOW EXEMPT. UNIFORMS TRANSSHIPPED THROUGH LONDON ARE NOT TAXED IF THEY ARE RETAINED IN BOND OR IN TRANSIT SHEDS. IF THIS IS A PROBLEM, UK SUSPECTS THAT US CARRIERS BRING UNIFORMS IN THROUGH CUSTOMS BARRIER. ONCE TAX IS PAID IT CANNOT BE REBATED ON EXPORT. US CARRIERS SHOULD USE EXISTING PROCEDURES FOR TRANSIT SHIPMENTS TO AVOID

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INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 EB-07 INR-07 NSAE-00 EPG-02
FAA-00 SS-15 NSC-05 SSO-00 NSCE-00 INRE-00 /054 W
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TAX.

7. UK PARA 2 DROPS REFERENCE TO "BY OR ON BEHALF OF DESIGNATED AIRLINES" AND ADOPTS BROADER LANGUAGE TO PERMIT STORES, SPARE PARTS AND FUEL, ETC. SIMPLY TO BE BROUGHT IN FOR USE ON OUTBOUND FLIGHTS.

8. UK NOTES THAT UNDER THIS DRAFT AN AIRLINE MAY NOT LOAD DUTY FREE STORES FOR DOMESTIC OR INTERNAL LEG OF AN INTERNATIONAL JOURNEY BUT (APPARENTLY) MAY LOAD FUEL FREE OF EXCISE OR OTHER TAXES.

9. UK STATES THAT BRITISH AIRWAYS NOW PAYS STATE EXCISE TAX ON FUEL AT PHILADELPHIA, SALES TAX AT LOS ANGELES, AND FUEL AND SALES TAX AT DETROIT. REQUEST CONFIRMATION AND INFO ON WHETHER OFFICIAL COMPLAINTS HAVE BEEN LODGED.

10. AFTER FURTHER CONSIDERATION, UK STATES THAT US DRAFT PARA 2 IS NOT APPROPRIATE FOR A CUSTOMS EXEMPTION ARTICLE. UK PROPOSES THAT IT BE PLACED IN DOING BUSINESS ARTICLE AND THEN REFERENCED TO CUSTOMS
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ARTICLE FOR COVERAGE OF INDIVIDUAL ITEMS. REQUEST COMMENTS ON THIS APPROACH SOONEST. THE APPROACH APPEARS SATISFACTORY TO USDEL SINCE COVERAGE WOULD BE SAME AS US PARA 2.

11. REMAINDER OF UK DRAFT NOW SEEMS CONSISTENT WITH US. REQUEST COMMENTS ON ANY FURTHER SPECIFIC CHANGES DESIRED (WITH EXCEPTION OF GROUND EQUIPMENT).

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 30-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Disposition Remarks:
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Expiration:
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Litigation History:
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vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/86883d92-c288-dd11-92da-001cc4696bcc
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